

# INFORMATION REPORT

CD NO.

25X1A

COUNTRY China

DATE DISTR 10 March 1952

SUBJECT Military, Political, and Economic Conditions  
in Tsingtao

NO. OF PAGES 6

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## Military Forces and Installations

1. In the spring of 1951 there were marine, navy, and army units stationed in Tsingtao, all members of which wore the same type of badge over the left breast pocket. It was four by one and one-half inches in size and was white with a three-striped piping of black, red, and black. It bore Chinese characters meaning "Chinese People's Liberation Army."
2. There were from 3,000 to 4,000 marines in Tsingtao, about half of whom were billeted in the old United States Marines' compound. The compound was fenced in by barbed wire and the hill behind the compound was a restricted area. There were anti-aircraft guns in the compound. The remainder of the marines were billeted in private homes throughout the city in groups ranging from 10 to 20 up to 60 to 70. There were no large army compounds within the city. From 500 to 600 military personnel were billeted at the soldiers' mall and some were billeted in private homes.
3. The old Chinese Nationalist Naval Training Center (CNTC) on Pacific Road was being used as a naval school, probably for naval officers since the students there appeared to be midshipmen. There were from 600 to 700 students at the school and it was heavily guarded. Students went out at night in groups of from three to five and were well behaved.
4. The old Nationalist navy club was being used as a club by the Chinese Communist Navy.
5. Edgewater Point was a restricted area and was being used for gunnery practice from one to four days monthly. People were warned prior to the gunnery practice. There was a radio station at Edgewater Point in 1948, but it is not known whether or not it is still there. Edgewater Mansions was being used as a billet by Soviets and Chinese.
6. Taiping Chia was a restricted area and guards were stationed along the cliffs there.
7. The harbor area was restricted and was heavily guarded. Ships no longer tied up at Tsingtao Pier (Pagoda Pier). In February 1951 there were three destroyers and one LST between Edgewater Mansions and Tsingtao Pier. The

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CLASSIFICATION CONFIDENTIAL

No Change in Class. ☒  
☐ Declassified  
Class. Changed To: TS S C

Auth: HR 70-2

Date: 7-2-87

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LST and two of the destroyers left after about two weeks, but one destroyer, which was grey and rusty, appeared to be permanently stationed in Tsingtao. A boat believed to be a patrol boat operated two or three miles off shore from this area. It was larger and faster than an ordinary motorboat.

8. The former United States Naval Port Facilities building was being used by the military control commission and was well guarded.
9. The T'uan T'ao area was restricted and there was a radio station there.
10. There were anti-aircraft guns on Observatory Hill.
11. The former United States officers club behind the former United States Port Facilities building was used by Soviets wearing civilian clothes. It was guarded by Chinese Communist troops inside the stone wall and had no signs to indicate its use.

#### Political Installations and Activities

12. The Tsingtao stadium near the race course was used for public trials. Admission to one trial at which 400 persons were tried for crimes against the government was by tickets which were given to schools, unions, and firms. Less important trials were held at the race course. The race course was also used for parades and holiday celebrations.
13. The Third Park near the Lutheran Hospital and general post office was used for the display of incriminating evidence against counter-revolutionaries.
14. The former United States military police building adjacent to the former armed forces Y.M.C.A. building was used as headquarters of the Democratic Women's Federation.
15. The building adjacent to the former United States military police building was used by the People's Council.
16. The old city hall building was also used as a city hall by the Chinese Communists.
17. The former Kuomintang headquarters offices were used for the Chinese Communist Party headquarters.
18. The former United States Navy enlisted men's club was used by the Young Communist League and the Democratic Chinese Students' Association.

#### Business Installations

19. The former armed forces Y.M.C.A. building was used by the Tsingtao Daily newspaper.
20. The old electric power plant was still operating.
21. There were PCL depots in Tsing K'ou and Tsai Tung Chen, on the outskirts of Tsingtao, but there were none in Tsingtao proper.
22. Six theaters operating in Tsingtao were as follows: Star Cinema at Kwangsi and An-hui Roads, Capitol Theater at Hanoi and Tsinai Roads, Palazzo Theater at Chantung and Feicheng Roads, China Theater at Chantung and Boh Shien Roads, an unidentified theater at First Market and Liao Cheng Roads, and Tsingtao Theater at Liao Cheng and Tsai Hing Roads.

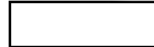
#### Bus Companies and Routes

ILLEGIB In early 1951 the Chinese Communist government established a bus company in Tsingtao called the Chinese People's Communication Corporation, which was under the Communications Department of the Ministry of Communications. Buses were in operation

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as follows:

- a. General post office to Chung Shan Park via the seashore.
- b. Bus station near the general post office to Ts'ang K'ou in the industrial area of San Fang, just outside of Tsingtao.
- c. Bus station to Tsai Tung Chen, three miles east of the port area.
- d. Bus station to Chafoo.
- e. Bus station to outlying villages -- a freight route only.

#### Foreigners in Tsingtao

21. There were between 400 and 500 Soviets<sup>1</sup> residing in Tsingtao, most of whom resided in the Lidi Luk area. Most of them were unemployed, and about 50, who were penniless, were being helped by the Soviet Residents' Association. About 35 were employed as musicians in dance halls, six or seven were operating businesses, and a few were receiving half pay as employees of the British American Tobacco Company, which was no

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Population Controls

The police department in Tsingtao was organized as follows:

Headquarters.

Branch offices, a total of four.

Divisions, each consisting of three or four district police stations.

District police stations, each covering seven or eight streets.

17. There were no census registers as such for each household, but district police checked households every three or four days. The native population was not required to have residence certificates, but it was rumored that the government planned to start issuing residence certificates to the native population. All foreigners were required to have residence certificates in addition to their passports. The residence certificate for foreigners was about three by five inches in size and was in the form of a booklet of about four pages with covers made of shiny black paper. The booklet contained the bearer's photograph, address, name, age, nationality, and citizenship. It was necessary to renew the certificate every one and a half to two months rather than yearly, as was the case under the Nationalist government.
18. Many factories and industrial concerns required their employees to have passes. It is not known whether all such concerns required passes but they probably did. The passes were issued by the management. Banks controlled passes (sic). A photograph of the employee was attached to the pass.
19. A person planning to spend the night away from home was required to report this to the police in the district where he resided and to the police in the district where he was going. If he planned to go out of the city for one night or more he was required to obtain a travel permit through the police in the district where he lived. He had to state where he was going, the purpose, and the length of time he planned to stay. Photographs and guarantors were not required for internal travel. The permit was usually issued within two days and was on white paper, six by eight inches, with black print showing the bearer's name, age, length of time he was to be away, purpose of visit, and place where he was to stay. A foreigner was not usually issued an internal travel permit.
20. A native of Tsingtao was not required to have an identification for a junk fishing trip.
21. To obtain a permit for travel abroad, the person desiring to travel was required to go to the district police first and make an oral statement of where he wanted to go, the reason, the length of the stay, and the place where he was to stay. If staying with an individual, he was required to give complete biographical information on that person. If they approved it, the district police passed the application on to the general police headquarters. The police headquarters asked the prospective traveller the same questions asked by the district police but more thoroughly. After a period of time, varying from two days to two months, the general police headquarters notified the prospective traveller that his travel had been approved. He was then given two forms to be filled out with the same data as above, and was required to supply two guarantors who had to be businessmen and had to have telephones. He was then required to write his autobiography from the age of seven or eight to the present time. After another waiting period of from two days to two months, the general police headquarters notified the applicant that his travel permit was ready. The most important step in procuring the travel permit was to get the approval of the district police when the application was first made. When the Communists first took over the government, it was possible to bribe the older police who were still on duty. Since then, however, they have been gradually replaced, and bribery has been almost eliminated.

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Economic Controls and Conditions

34. At the time the Communists took Tsingtao, they required the local populace to register all radios, cameras, binoculars, arms, and knives with blades in excess of six inches with the police. They also required the populace to fill out forms showing their life history, amount of money owned, and amount of expenses per month.
35. To set up a business in Tsingtao, it was necessary to present the plans for the business to the district police and then to the trade union, which required that a union be formed for the new business. The person going into business was then required to go to the general police headquarters and present the same information he presented to the district police. He then had to go to the municipal government and obtain a license for his business. This was not difficult to obtain but bonding and taxes were expensive. The income tax was 2 1/2 percent and the patriotic tax was 1 1/2 percent.<sup>10</sup> However, a person was usually required to pay about four times this amount because officials claimed he had not reported all his income. A new system was in operation which required that store owners issue receipts with cashiers. These receipts were provided by the union and were in duplicate and numbered. All had to be accounted for.
36. In April 1951 there was a black market in gold in Tsingtao, and persons engaged in the import and export business would buy gold on the black market if they knew the persons from whom they were buying. There was no black market in United States dollars or Soviet rubles.
37. Tsingtao concerns were dealing in foreign exchange with the following banks in Hong Kong: the Bank of China, the Sin Sui Bank, the Shanghai Commercial and Savings Bank, and the Kinchen Banking Corporation.
38. Penicillin and sulfa drugs were obtainable at a drug store without a doctor's prescription but at very high prices.

Attitude of the Population

39. In early 1951 the majority of the people in Tsingtao were dissatisfied with the Communist government. However, they were beginning to lose hope of the Nationalists returning. Some who had refused to take employment or go into business because they were awaiting a change in the government which they expected after the end of the war in Korea, had decided to acquiesce themselves to the Communist regime. The majority of the younger generation have been indoctrinated with Communism so thoroughly since the Communists took Tsingtao that many were volunteering for action in Korea. Such volunteers had to pass a political and physical examination before being accepted. When accepted they were sent to Hankin, Peiping, Tainan, or Hsuehou for training. Although most parents did not want their children to volunteer to fight in Korea, they were powerless to stop them. Those who still believed a change in regime would come soon were mostly white-collar workers, teachers, merchants, and former employees of the Nationalist government.
40. The reaction of the peasants to the regime varied. Those from villages which had not given all-out support to the Communists against the Nationalists had the worst lot. There had been some of these villages being dispersed and their inhabitants being sent to different parts of the country, sometimes to another province. Those in villages which supported the Communists appeared to be satisfied with the Communist reforms, except large landowners who, if not imprisoned or executed, were left with barely enough property on which to survive. However, the majority of the villages surrounding Tsingtao were not satisfied with their lot because land was very scarce and poor. In some cases a farmer owning as much as 10 or 15 acres of land had been prosecuted as a landowner thriving on the blood of the people. Some people who had land in the villages and rented it out and worked in the city prior to the Communist take-over, returned to cultivate their farms after the Communist take-over. The Communists have prosecuted most of these and confiscated their property. Some have been thrown in jail and others have been given the worst lots in the area to farm.

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